

ELLIS COUNTY, KANSAS

Hays, Kansas

Primary Government Financial Statements
with Independent Auditors' Report

For the Year Ended December 31, 2006

ELLIS COUNTY, KANSAS
Primary Government Financial Statements
with Independent Auditors' Report
For the Year Ended December 31, 2006

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Ellis County, Kansas
1204 Fort
Hays, KS 67601

We have audited the accompanying financial statements of **Ellis County, Kansas**, as of and for the year ended December 31, 2006, as listed in the table of contents. These financial statements are the responsibility of **Ellis County, Kansas'** management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government, unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$48,093.

As described more fully in Note 1, **Ellis County, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the two preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Ellis County, Kansas**, as of December 31, 2006, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Ellis County, Kansas**, as of December 31, 2006, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 2007, on our consideration of **Ellis County, Kansas'** internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts,

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and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise **Ellis County, Kansas'** financial statements. The accompany schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of **Ellis County, Kansas**. The schedule of expenditures of federal awards has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 4, 2007

ELLIS COUNTY, KANSAS
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2006

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ 2,976,155	-	7,004,570	6,791,849	3,188,876	481,053	3,669,929
Special Revenue Funds							
Road and Bridge Fund	507,071	-	4,218,618	3,991,789	733,900	84,384	818,284
Special Bridge Fund	180,074	-	87,150	104,148	163,076	8,231	171,307
Special Road Machinery Fund	79,755	-	100,000	-	179,755	-	179,755
Special Highway Improvement Fund	-	-	150,000	-	150,000	-	150,000
Ambulance Fund	511,760	-	1,501,339	1,553,607	459,492	135,630	595,122
Appraisal Fund	124,874	-	354,770	367,348	112,296	12,739	125,035
Health Fund	365,991	-	350,245	366,146	350,090	11,848	361,938
Employee Benefit Fund	5,443	-	885,203	884,006	6,640	1,505	8,145
County Building Fund	15,172	-	48,355	58,948	4,579	-	4,579
Economic Development Fund	5,225	-	110,593	112,081	3,737	-	3,737
Fair Fund	3,516	-	94,591	95,915	2,192	-	2,192
Fair Operating Fund	2,772	-	100,051	105,058	(2,235)	5,233	2,998
Fair Rent Fund	25,083	-	35,870	31,495	29,458	-	29,458
Mental Health Fund	-	-	149,415	149,415	-	-	-
Mental Retardation Fund	-	-	335,717	335,717	-	-	-
Senior Citizen Fund	6,918	-	98,650	100,475	5,093	-	5,093
Special Parks and Recreation Fund	1,557	-	5,511	7,067	1	-	1
Special Alcohol Fund	2,342	-	9,970	12,312	-	-	-
Risk Management Reserve Fund	169,774	-	50,000	-	219,774	-	219,774
Capital Improvement Reserve Fund	165,223	346	37,000	-	202,569	-	202,569
Capital Equipment Reserve Fund	332,997	-	136,750	44,206	425,541	-	425,541
911 Tax Fund	29,851	-	117,978	126,939	20,890	125	21,015
Cellular 911 Tax Fund	50,732	-	50,036	13,298	87,470	166	87,636
Cellular 911 Grant Fund	(3,161)	-	11,764	8,602	1	-	1
Register of Deeds Technology Fund	121,076	-	46,214	3,026	164,264	-	164,264
Drug Enforcement Unit Trust Fund	39,207	-	160,806	69,073	130,940	-	130,940
Munior Grant Fund	-	-	46,593	46,593	-	-	-
Rural Fire District No. 1 Fund	17,112	-	507,587	456,947	67,752	15,240	82,992
Special Fire Machinery Fund	39,731	10,118	25,000	-	74,849	-	74,849
Total Carried Forward	\$ 5,776,250	10,464	16,830,346	15,836,060	6,781,000	756,154	7,537,154

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KANSAS
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended December 31, 2006

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Total Brought Forward	\$ 5,776,250	10,464	16,830,346	15,836,060	6,781,000	756,154	7,537,154
Proprietary Fund							
Enterprise Funds							
Solid Waste Fund	106,122	-	977,628	1,005,821	77,929	72,815	150,744
Solid Waste Depreciation Reserve Fund	115,415	-	-	10,172	105,243	-	105,243
Solid Waste Post-Closure Fund	117,003	-	12,980	-	129,983	-	129,983
Fiduciary Fund							
Private Purpose Trust Funds							
Prosecuting Attorney's Training Fund	2,446	-	4,373	3,265	3,554	-	3,554
Special Motor Vehicle Fund	115,610	-	146,881	143,665	118,826	-	118,826
Total - Primary Government	\$ 6,232,846	10,464	17,972,208	16,998,983	7,216,535	828,969	8,045,504
Composition of Cash:							
	Checking Accounts						282,846
	Money Market Accounts						207,879
	Certificates of Deposit						22,953,999
	Temporary Notes						130,468
	Kansas Municipal Investment Pool						5,608,759
	Cash on Deposit						29,183,951
	Cash on Hand						184,095
	Total Cash						29,368,046
	Agency Funds Per Statement 4						(21,322,542)
	Total Reporting Entity (Excluding Agency Funds)						\$ 8,045,504

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Summary of Expenditures - Actual and Budget
For the Year Ended December 31, 2006

Funds	Certified Budget	Adjustment Qualifying for Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Favorable (Unfavorable)
Governmental Funds					
General Fund	\$ 6,995,752	-	6,995,752	6,791,849	203,903
Special Revenue Funds					
Road and Bridge Fund	3,836,299	282,364	4,118,663	3,991,789	126,874
Special Bridge Fund	192,509	-	192,509	104,148	88,361
Ambulance Fund	1,556,400	-	1,556,400	1,553,607	2,793
Appraisal Fund	416,134	-	416,134	367,348	48,786
Health Fund	394,829	-	394,829	366,146	28,683
Employee Benefit Fund	885,000	-	885,000	884,006	994
County Building Fund	80,900	-	80,900	58,948	21,952
Economic Development Fund	112,100	-	112,100	112,081	19
Fair Fund	95,915	-	95,915	95,915	-
Mental Health Fund	150,000	-	150,000	149,415	585
Mental Retardation Fund	336,500	-	336,500	335,717	783
Senior Citizen Fund	100,475	-	100,475	100,475	-
Special Parks and Recreation Fund	12,919	-	12,919	7,067	5,852
Special Alcohol Fund	20,859	-	20,859	12,312	8,547
Rural Fire District No. 1 Fund	385,066	137,241	522,307	456,947	65,360
Proprietary Fund					
Enterprise Funds					
Solid Waste Fund	1,100,757	-	1,100,757	1,005,821	94,936
Solid Waste Amortization Fund	232,826	-	232,826	10,172	222,654

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 5,455,524	5,497,815	5,378,347	119,468
Intergovernmental	13,881	9,099	-	9,099
Licenses and Fees	550,368	445,852	163,500	282,352
Federal Aid	33,984	54,342	-	54,342
Homeland Security Grant - KDHP	414,981	261,081	-	261,081
Use of Money & Property	411,952	681,640	241,900	439,740
Miscellaneous	34,132	54,740	10,000	44,740
Total Cash Receipts	6,914,822	7,004,569	5,793,747	1,210,822
Expenditures:				
County Attorney	308,571	334,748	329,483	(5,265)
County Commission	55,119	52,560	59,600	7,040
Courthouse General	758,811	1,200,489	1,337,990	137,501
County Clerk	193,679	192,613	225,308	32,695
Unified Courts	188,865	187,860	189,300	1,440
Custodians	74,040	76,673	78,890	2,217
Computer Information Services	289,165	310,506	318,699	8,193
Register of Deeds	93,814	97,331	108,256	10,925
County Treasurer	301,125	326,651	331,160	4,509
Sheriff	1,233,084	1,366,828	1,333,048	(33,780)
Coroner	43,483	49,297	65,000	15,703
County Counselor	53,123	53,914	60,270	6,356
Juvenile Detention	24,306	27,790	44,850	17,060
Emergency Preparedness	486,824	377,282	69,994	(307,288)
Health Insurance	1,455,258	1,643,975	1,870,128	226,153
Conservation District	51,446	55,516	55,516	-
Election	61,829	153,983	154,260	277
Extension Council	189,254	195,000	195,000	-
Economic Development	-	-	65,000	65,000
Historical Society	70,000	80,000	80,000	-
Community College Tuition	32,841	8,832	24,000	15,168
Total Expenditures	5,964,637	6,791,848	6,995,752	203,904
Receipts Over (Under) Expenditures	950,185	212,721		
Unencumbered Cash, January 1	2,025,970	2,976,155		
Unencumbered Cash, December 31	\$ 2,976,155	3,188,876		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
County Attorney:				
Personal Services	\$ 283,048	302,756	302,883	127
Contractual Services	18,472	24,250	15,600	(8,650)
Commodities	2,998	328	6,000	5,672
Capital Outlay	4,053	7,914	5,000	(2,914)
Reimbursed Expenses	-	(500)	-	500
Department Total	308,571	334,748	329,483	(5,265)
County Commissioners:				
Personal Services	48,155	48,000	48,000	-
Contractual Services	5,186	4,291	8,800	4,509
Commodities	342	582	500	(82)
Capital Outlay	1,436	-	2,300	2,300
Reimbursed Expenses	-	(313)	-	313
Department Total	55,119	52,560	59,600	7,040
Courthouse General:				
Personal Services	1,620	1,661	20,100	18,439
Contractual Services	441,063	477,706	428,890	(48,816)
Commodities	15,200	12,319	13,500	1,181
Capital Outlay	94,388	732,469	759,750	27,281
Junior Free Fair	3,250	3,250	3,250	-
Appropriations - Other	81,930	77,750	77,500	(250)
Humane Society	5,000	5,000	5,000	-
Debt Service - Temporary Notes	200,976	-	-	-
Transfers Out	30,000	30,000	30,000	-
Reimbursed Expenses	(114,616)	(139,666)	-	139,666
Department Total	758,811	1,200,489	1,337,990	137,501
County Clerk:				
Personal Services	171,138	177,350	190,391	13,041
Contractual Services	10,235	10,811	17,617	6,806
Commodities	2,410	2,926	5,100	2,174
Capital Outlay	9,254	1,450	10,700	9,250
Transfers Out	1,500	1,500	1,500	-
Reimbursed Expenses	(858)	(1,424)	-	1,424
Department Total	193,679	192,613	225,308	32,695
Unified Courts:				
Contractual Services	169,746	176,410	160,400	(16,010)
Commodities	14,752	16,105	13,000	(3,105)
Capital Outlay	31,259	39,775	15,900	(23,875)
Reimbursed Expenses	(26,892)	(44,430)	-	44,430
Department Total	188,865	187,860	189,300	1,440
Total Expenditures				
Carried Forward	\$ 1,505,045	1,968,270	2,141,681	173,411

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Total Expenditures				
Brought Forward	\$ 1,505,045	1,968,270	2,141,681	173,411
Custodians:				
Personal Services	64,958	66,714	67,740	1,026
Contractual Services	1,266	1,852	2,000	148
Commodities	7,141	7,052	7,950	898
Capital Outlay	675	1,055	1,200	145
Department Total	<u>74,040</u>	<u>76,673</u>	<u>78,890</u>	<u>2,217</u>
Computer Information Services:				
Personal Services	141,742	145,486	150,129	4,643
Contractual Services	65,062	91,466	45,870	(45,596)
Commodities	13,255	11,991	18,000	6,009
Capital Outlay	26,891	37,020	59,700	22,680
Transfers Out	45,000	25,000	45,000	20,000
Reimbursed Expenses	(2,785)	(457)	-	457
Department Total	<u>289,165</u>	<u>310,506</u>	<u>318,699</u>	<u>8,193</u>
Register of Deeds:				
Personal Services	91,142	94,797	96,236	1,439
Contractual Services	3,560	4,239	8,020	3,781
Commodities	3,681	3,956	4,000	44
Reimbursed Expenses	(4,569)	(5,661)	-	5,661
Department Total	<u>93,814</u>	<u>97,331</u>	<u>108,256</u>	<u>10,925</u>
County Treasurer:				
Personal Services	257,318	286,242	269,260	(16,982)
Contractual Services	60,451	60,175	46,650	(13,525)
Commodities	5,898	6,095	5,500	(595)
Capital Outlay	4,508	6,022	5,500	(522)
Transfers Out	4,000	4,250	4,250	-
Reimbursed Expenses	(31,050)	(36,133)	-	36,133
Department Total	<u>301,125</u>	<u>326,651</u>	<u>331,160</u>	<u>4,509</u>
Sheriff:				
Personal Services	880,329	967,141	1,011,998	44,857
Contractual Services	156,999	182,945	147,150	(35,795)
Commodities	149,736	154,810	111,400	(43,410)
Capital Outlay	73,374	59,081	32,500	(26,581)
Transfers Out	-	30,000	30,000	-
Reimbursed Expenses	(27,354)	(27,149)	-	27,149
Department Total	<u>1,233,084</u>	<u>1,366,828</u>	<u>1,333,048</u>	<u>(33,780)</u>
Total Expenditures				
Carried Forward	\$ 3,496,273	4,146,259	4,311,734	165,475

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Total Expenditures Brought Forward	\$ 3,496,273	4,146,259	4,311,734	165,475
Coroner:				
Personal Services	32,967	34,712	33,000	(1,712)
Contractual Services	17,332	23,291	27,000	3,709
Commodities	37	131	-	(131)
Capital Outlay	-	-	5,000	5,000
Reimbursed Expenses	(6,853)	(8,837)	-	8,837
Department Total	43,483	49,297	65,000	15,703
County Counselor	53,123	53,914	60,270	6,356
Juvenile Detention:				
Contractual Services	24,195	27,790	44,850	17,060
Commodities	111	-	-	-
Department Total	24,306	27,790	44,850	17,060
Emergency Preparedness:				
Personal Services	37,106	54,857	38,079	(16,778)
Contractual Services	23,633	59,500	19,352	(40,148)
Commodities	2,824	3,463	4,773	1,310
Capital Outlay	8,525	116	7,790	7,674
Homeland Security Grant - KDHP	414,981	261,081	-	(261,081)
Reimbursed Expenses	(245)	(1,735)	-	1,735
Department Total	486,824	377,282	69,994	(307,288)
Health Insurance:				
Contractual Services	5,870	5,392	-	(5,392)
Premiums	1,591,771	1,733,423	1,820,128	86,705
Transfers Out	-	50,000	50,000	-
Reimbursed Expenses	(142,383)	(144,840)	-	144,840
Department Total	1,455,258	1,643,975	1,870,128	226,153
Conservation District	51,446	55,516	55,516	-
Election Fund:				
Personal Services	14,490	26,347	30,000	3,653
Contractual Services	14,639	35,178	36,010	832
Commodities	3,161	20,788	6,250	(14,538)
Capital Outlay	3,512	26,931	6,000	(20,931)
Transfers Out	30,000	46,000	76,000	30,000
Reimbursed Expenses	(3,973)	(1,261)	-	1,261
Department Total	61,829	153,983	154,260	277
Total Expenditures Carried Forward	\$ 5,672,542	6,508,016	6,631,752	123,736

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

		Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
			Actual	Budget	
Total Expenditures Brought Forward	\$	5,672,542	6,508,017	6,631,752	123,735
Extension Council		189,254	195,000	195,000	-
Economic Development		-	-	65,000	65,000
Historical Society		70,000	80,000	80,000	-
Community College Tuition		32,841	8,832	24,000	15,168
Total Expenditures	\$	<u>5,964,637</u>	<u>6,791,849</u>	<u>6,995,752</u>	<u>203,903</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Road and Bridge Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 2,008,554	2,562,959	2,552,211	10,748
Intergovernmental	940,890	942,624	935,404	7,220
Sale of Chemicals & Treatment	415,672	382,364	100,000	282,364
Equipment Sales	-	250,000	-	250,000
Miscellaneous	56,092	80,671	15,000	65,671
Total Cash Receipts	3,421,208	4,218,618	3,602,615	616,003
Expenditures:				
Personal Services	1,437,876	1,422,930	1,549,262	126,332
Contractual Services	345,425	249,873	332,625	82,752
Commodities	1,589,887	1,705,763	1,399,770	(305,993)
Capital Outlay	303,745	287,232	448,700	161,468
County Planning and Zoning	-	8,050	11,500	3,450
Debt Service	70,480	67,941	67,942	1
Transfers Out	-	250,000	26,500	(223,500)
Budget Credit (a)	-	-	282,364	282,364
Total Expenditures	3,747,413	3,991,789	4,118,663	126,874
Receipts Over (Under) Expenditures	(326,205)	226,829		
Unencumbered Cash, January 1	833,276	507,071		
Unencumbered Cash, December 31	\$ 507,071	733,900		
 (a) Budget Credit				
Excess Sales of Chemicals and Treatment over Amount Budgeted		\$ 282,364		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Special Bridge Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 14,592	50,475	47,486	2,989
State Aid	612	34,500	-	34,500
Miscellaneous	173	2,175	-	2,175
Total Cash Receipts	<u>15,377</u>	<u>87,150</u>	<u>47,486</u>	<u>39,664</u>
Expenditures:				
Contractual Services	23,700	62,709	45,000	(17,709)
Capital Outlay	29,081	41,439	147,509	106,070
Total Expenditures	<u>52,781</u>	<u>104,148</u>	<u>192,509</u>	<u>88,361</u>
Receipts Over (Under) Expenditures	(37,404)	(16,998)		
Unencumbered Cash, January 1	<u>217,478</u>	<u>180,074</u>		
Unencumbered Cash, December 31	\$ <u>180,074</u>	<u>163,076</u>		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Road Machinery Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts:		
Transfers In	\$ -	100,000
Expenditures:		
Capital Outlay	<u>160,316</u>	<u>-</u>
Receipts Over (Under) Expenditures	(160,316)	100,000
Unencumbered Cash, January 1	<u>240,071</u>	<u>79,755</u>
Unencumbered Cash, December 31	\$ <u><u>79,755</u></u>	<u><u>179,755</u></u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Highway Improvement Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ -	150,000
Unencumbered Cash, January 1	-	-
Unencumbered Cash, December 31	\$ -	150,000

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Ambulance Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 869,788	781,519	789,841	(8,322)
State Aid	5,750	1,350	-	1,350
Collections	700,109	718,470	510,000	208,470
Total Cash Receipts	<u>1,575,647</u>	<u>1,501,339</u>	<u>1,299,841</u>	<u>201,498</u>
Expenditures:				
Personal Services	1,198,898	1,265,204	1,294,000	28,796
Contractual Services	101,869	117,586	89,000	(28,586)
Commodities	66,112	68,583	74,400	5,817
Capital Outlay	120,038	102,234	99,000	(3,234)
Total Expenditures	<u>1,486,917</u>	<u>1,553,607</u>	<u>1,556,400</u>	<u>2,793</u>
Receipts Over (Under) Expenditures	88,730	(52,268)		
Unencumbered Cash, January 1	407,510	511,760		
Prior Year Cancelled Encumbrances	<u>15,520</u>	<u>-</u>		
Unencumbered Cash, December 31	<u>\$ 511,760</u>	<u>459,492</u>		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Appraisal Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 359,235	349,622	349,898	(276)
Miscellaneous	6,951	5,148	-	5,148
Total Cash Receipts	<u>366,186</u>	<u>354,770</u>	<u>349,898</u>	<u>4,872</u>
Expenditures:				
Personal Services	287,947	303,033	333,934	30,901
Contractual Services	30,517	30,675	43,000	12,325
Commodities	6,334	6,560	5,200	(1,360)
Capital Outlay	3,380	2,080	9,000	6,920
Transfers Out	35,000	25,000	25,000	-
Total Expenditures	<u>363,178</u>	<u>367,348</u>	<u>416,134</u>	<u>48,786</u>
Receipts Over (Under) Expenditures	3,008	(12,578)		
Unencumbered Cash, January 1	<u>121,866</u>	<u>124,874</u>		
Unencumbered Cash, December 31	\$ <u>124,874</u>	<u>112,296</u>		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Health Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 86,299	89,884	90,743	(859)
Intergovernmental	23,542	22,769	45,000	(22,231)
Federal Aid	29,546	37,607	-	37,607
Health Care Services	194,294	199,985	60,000	139,985
Total Cash Receipts	333,681	350,245	195,743	154,502
Expenditures:				
Personal Services	228,927	235,204	242,864	7,660
Contractual Services	26,702	34,407	35,765	1,358
Commodities	77,832	80,707	95,200	14,493
Capital Outlay	6,834	5,689	13,500	7,811
Non-Appropriated	12,977	10,139	7,500	(2,639)
Total Expenditures	353,272	366,146	394,829	28,683
Receipts Over (Under) Expenditures	(19,591)	(15,901)		
Unencumbered Cash, January 1	385,582	365,991		
Unencumbered Cash, December 31	\$ 365,991	350,090		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Employee Benefit Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 710,738	864,863	866,067	(1,204)
Miscellaneous	19,760	20,340	-	20,340
Total Cash Receipts	<u>730,498</u>	<u>885,203</u>	<u>866,067</u>	<u>19,136</u>
Expenditures:				
Social Security Taxes	396,511	415,969	455,000	39,031
Employee Retirement	201,486	242,311	230,000	(12,311)
Workmen's Comp. Insurance	174,831	219,904	185,000	(34,904)
Unemployment Taxes	5,701	5,822	15,000	9,178
Total Expenditures	<u>778,529</u>	<u>884,006</u>	<u>885,000</u>	<u>994</u>
Receipts Over (Under) Expenditures	(48,031)	1,197		
Unencumbered Cash, January 1	<u>53,474</u>	<u>5,443</u>		
Unencumbered Cash, December 31	\$ <u>5,443</u>	<u>6,640</u>		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KANSAS
County Building Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 50,967	48,355	49,493	(1,138)
Expenditures:				
Contractual Services	15,671	9,386	12,900	3,514
Commodities	173	7,044	11,200	4,156
Capital Outlay	58,298	30,518	36,800	6,282
Transfers Out	20,000	12,000	20,000	8,000
Total Expenditures	94,142	58,948	80,900	21,952
Receipts Over (Under) Expenditures	(43,175)	(10,593)		
Unencumbered Cash, January 1	58,347	15,172		
Unencumbered Cash, December 31	\$ 15,172	4,579		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Economic Development Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 102,965	110,593	111,022	(429)
Expenditures:				
Contractual Services	23,657	27,081	27,100	19
Appropriations	80,000	85,000	85,000	-
Total Expenditures	103,657	112,081	112,100	19
Receipts Over (Under) Expenditures	(692)	(1,488)		
Unencumbered Cash, January 1	5,917	5,225		
Unencumbered Cash, December 31	\$ 5,225	3,737		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Fair Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 91,373	94,591	95,030	(439)
Expenditures:				
Appropriations	90,915	95,915	74,315	(21,600)
Commodities	-	-	15,600	15,600
Capital Outlay	-	-	6,000	6,000
Total Expenditures	90,915	95,915	95,915	-
Receipts Over (Under) Expenditures	458	(1,324)		
Unencumbered Cash, January 1	3,058	3,516		
Unencumbered Cash, December 31	\$ 3,516	2,192		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Fair Operating Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Appropriations	\$ 90,915	95,915
Miscellaneous	613	4,136
Total Cash Receipts	<u>91,528</u>	<u>100,051</u>
Expenditures:		
Contractual Services	66,031	82,151
Commodities	23,820	22,907
Capital Outlay	1,439	-
Total Expenditures	<u>91,290</u>	<u>105,058</u>
Receipts Over (Under) Expenditures	238	(5,007)
Unencumbered Cash, January 1	<u>2,534</u>	<u>2,772</u>
Unencumbered Cash, December 31	<u>\$ 2,772</u>	<u>(2,235)</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Fair Rent Fund

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Rent	\$ 25,750	35,870
Fees	2,725	-
Total Cash Receipts	28,475	35,870
Expenditures:		
Personal Services	8,557	10,734
Contractual Services	4,527	4,261
Commodities	1,416	1,984
Capital Outlay	-	129
Refunds	-	2,623
Principal Payments	11,114	11,114
Interest Payments	1,090	650
Total Expenditures	26,704	31,495
Receipts Over (Under) Expenditures	1,771	4,375
Unencumbered Cash, January 1	23,312	25,083
Unencumbered Cash, December 31	\$ 25,083	29,458

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS

Mental Health Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 145,173	149,415	150,000	(585)
Expenditures:				
Appropriations	145,173	149,415	150,000	585
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash , January 1	-	-		
Unencumbered Cash , December 31	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Mental Retardation Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 330,282	335,717	336,500	(783)
Expenditures:				
Appropriations	330,282	335,717	336,500	783
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash , January 1	-	-		
Unencumbered Cash, December 31	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Senior Citizens Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 98,358	98,650	99,208	(558)
Expenditures:				
Appropriations	96,980	100,475	100,475	-
Receipts Over (Under) Expenditures	1,378	(1,825)		
Unencumbered Cash, January 1	5,540	6,918		
Unencumbered Cash, December 31	\$ 6,918	5,093		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Parks and Recreation Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

			Current Year		Variance Favorable (Unfavorable)
		Prior Year Actual	Actual	Budget	
Cash Receipts:					
Intergovernmental	\$	5,849	5,511	5,488	23
Expenditures:					
Appropriations		5,688	7,067	12,919	5,852
Receipts Over (Under) Expenditures		161	(1,556)		
Unencumbered Cash, January 1		1,396	1,557		
Unencumbered Cash, December 31	\$	1,557	1		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Alcohol Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Intergovernmental	\$ 9,402	9,970	9,218	752
Expenditures:				
Appropriations	9,430	12,312	20,859	8,547
Receipts Over (Under) Expenditures	(28)	(2,342)		
Unencumbered Cash, January 1	2,370	2,342		
Unencumbered Cash, December 31	\$ 2,342	-		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Risk Management Reserve Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ -	50,000
Unencumbered Cash, January 1	<u>169,774</u>	<u>169,774</u>
Unencumbered Cash, December 31	<u>\$ 169,774</u>	<u>219,774</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Capital Improvement Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ 45,000	37,000
Expenditures:		
Contractual	3,648	-
Capital Outlay	58,298	-
Total Expenditures	61,946	-
Receipts Over (Under) Expenditures	(16,946)	37,000
Unencumbered Cash, January 1	182,169	165,223
Prior Year Cancelled Encumbrances	-	346
Unencumbered Cash, December 31	\$ 165,223	202,569

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Capital Equipment Reserve Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ 120,500	136,750
Expenditures:		
Contractual	125	-
Capital Outlay	198,841	44,206
Total Expenditures	198,966	44,206
Receipts Over (Under) Expenditures	(78,466)	92,544
Unencumbered Cash, January 1	411,463	332,997
Unencumbered Cash, December 31	\$ 332,997	425,541

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
911 Tax Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Collections	\$ 123,899	113,752
Interest	2,264	2,951
Miscellaneous	594	1,275
Total Cash Receipts	126,757	117,978
Expenditures:		
Contractual Services	52,625	42,388
Commodities	22,052	9,551
Capital Outlay	598	-
Debt Service	75,000	75,000
Total Expenditures	150,275	126,939
Receipts Over (Under) Expenditures	(23,518)	(8,961)
Unencumbered Cash, January 1	53,369	29,851
Unencumbered Cash, December 31	\$ 29,851	20,890

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Cellular 911 Tax Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Collections	\$ 44,053	50,036
Expenditures:		
Contractual	4,334	10,592
Commodities	437	2,706
Capital Outlay	2,052	-
Total Expenditures	<u>6,823</u>	<u>13,298</u>
Receipts Over (Under) Expenditures	37,230	36,738
Unencumbered Cash, January 1	<u>13,502</u>	<u>50,732</u>
Unencumbered Cash, December 31	<u>\$ 50,732</u>	<u>87,470</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Cellular 911 Grant Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
State Wireless Grant	\$ 113,994	11,764
Expenditures:		
Contractual Services	-	5,896
Capital Outlay	117,155	2,706
Total Expenditures	117,155	8,602
Receipts Over (Under) Expenditures	(3,161)	3,162
Unencumbered Cash, January 1	-	(3,161)
Unencumbered Cash, December 31	\$ (3,161)	1

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Register of Deeds Technology Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Fees	\$ 53,454	46,214
Expenditures:		
Commodities	58,068	3,026
Receipts Over (Under) Expenditures	(4,614)	43,188
Unencumbered Cash, January 1	125,690	121,076
Unencumbered Cash, December 31	\$ 121,076	164,264

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Drug Enforcement Unit Trust Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
State Aid	\$ 2,741	363
Interest	1,497	4,103
Drug Enforcement Receipts	14,042	156,340
Total Cash Receipts	<u>18,280</u>	<u>160,806</u>
Expenditures:		
Public Safety	<u>73,178</u>	<u>69,073</u>
Receipts Over (Under) Expenditures	(54,898)	91,733
Unencumbered Cash, January 1	<u>94,105</u>	<u>39,207</u>
Unencumbered Cash, December 31	<u>\$ 39,207</u>	<u>130,940</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Munjor Grant Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
State Grant	\$ 34,844	-
Federal Aid	102,369	46,593
Total Cash Receipts	<u>137,213</u>	<u>46,593</u>
Expenditures:		
Contractual	39,278	46,593
Commodities	97,935	-
Total Expenditures	<u>137,213</u>	<u>46,593</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, January 1	-	-
Unencumbered Cash, December 31	<u>\$ -</u>	<u>-</u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Rural Fire District No. 1 Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes	\$ 370,138	370,346	370,354	(8)
Federal Aid	-	128,223	-	128,223
Miscellaneous	129	9,018	-	9,018
Total Cash Receipts	<u>370,267</u>	<u>507,587</u>	<u>370,354</u>	<u>137,233</u>
Expenditures:				
Personal Services	67,491	59,179	68,235	9,056
Contractual Services	109,364	100,313	124,225	23,912
Commodities	68,455	62,734	64,265	1,531
Capital Outlay	80,644	169,721	27,300	(142,421)
Temporary Note	40,000	40,000	76,041	36,041
Transfers Out	6,166	25,000	25,000	-
Budget Credit (a)	-	-	137,241	137,241
Total Expenditures	<u>372,120</u>	<u>456,947</u>	<u>522,307</u>	<u>65,360</u>
Receipts Over (Under) Expenditures	(1,853)	50,640		
Unencumbered Cash, January 1	<u>18,965</u>	<u>17,112</u>		
Unencumbered Cash, December 31	\$ <u>17,112</u>	<u>67,752</u>		
 (a) Budget Credit				
Excess Collections and Federal Aid		\$ <u>137,241</u>		
Over Amount Budgeted				

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Fire Machinery Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ 6,166	25,000
Expenditures:		
Capital Outlay	84,473	-
Receipts Over (Under) Expenditures	(78,307)	25,000
Unencumbered Cash, January 1	118,038	39,731
Prior Year Cancelled Encumbrances	-	10,118
Unencumbered Cash, December 31	\$ 39,731	74,849

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KANSAS

Solid Waste Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended December 31, 2006

(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Collection Fees	\$ 930,798	938,965	1,000,000	(61,035)
Miscellaneous	33,348	38,663	-	38,663
Total Cash Receipts	<u>964,146</u>	<u>977,628</u>	<u>1,000,000</u>	<u>(22,372)</u>
Expenditures:				
Personal Services	178,108	202,796	229,472	26,676
Contractual Services	786,241	757,736	768,280	10,544
Commodities	26,977	31,273	27,405	(3,868)
Capital Outlay	5,950	1,036	60,600	59,564
Transfers Out	12,541	12,980	15,000	2,020
Total Expenditures	<u>1,009,817</u>	<u>1,005,821</u>	<u>1,100,757</u>	<u>94,936</u>
Receipts Over (Under) Expenditures	(45,671)	(28,193)		
Unencumbered Cash, January 1	<u>151,793</u>	<u>106,122</u>		
Unencumbered Cash, December 31	<u>\$ 106,122</u>	<u>77,929</u>		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KANSAS
Solid Waste Depreciation Reserve Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended December 31, 2006
(With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Transfers In	\$ -	-	15,000	(15,000)
Expenditures:				
Capital Outlay	87,411	10,172	232,826	222,654
Receipts Over (Under) Expenditures	(87,411)	(10,172)		
Unencumbered Cash, January 1	202,826	115,415		
Unencumbered Cash, December 31	\$ 115,415	105,243		

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Solid Waste Post - Closure Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Transfers In	\$ 12,541	12,980
Unencumbered Cash, January 1	<u>104,462</u>	<u>117,003</u>
Unencumbered Cash, December 31	\$ <u><u>117,003</u></u>	<u><u>129,983</u></u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Prosecuting Attorney's Training Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Collections	\$ 4,184	4,373
Expenditures:		
Contractual Services	-	1,100
Payments to Other Governments	3,136	2,165
Total Expenditures	<u>3,136</u>	<u>3,265</u>
Receipts Over (Under) Expenditures	1,048	1,108
Unencumbered Cash, January 1	<u>1,398</u>	<u>2,446</u>
Unencumbered Cash, December 31	\$ <u><u>2,446</u></u>	<u><u>3,554</u></u>

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Special Motor Vehicle Fund
 Statement of Cash Receipts and Expenditures - Actual
 For the Year Ended December 31, 2006
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2005)

	Prior Year Actual	Current Year Actual
Cash Receipts:		
Collections	\$ 153,649	146,881
Expenditures:		
Payments to Other Governments	140,424	143,665
Receipts Over (Under) Expenditures	13,225	3,216
Unencumbered Cash, January 1	102,385	115,610
Unencumbered Cash, December 31	\$ 115,610	118,826

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Distributable Funds, State Funds, and Subdivision Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2006

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Distributable Funds				
Current Tax	\$ 17,038,091	19,073,644	17,038,091	19,073,644
Advance Tax	1	77	77	1
Vehicle Tax	4,522	1,398,649	1,398,622	4,549
Vehicle Excise Tax	14,698	33,398	31,637	16,459
Refunding Warrants	(43,746)	49,508	9,440	(3,678)
Homestead Credit	(47,905)	47,905	16,447	(16,447)
Escaped Tax	4,993	-	2,741	2,252
Delinquent Personal Property	55,817	170,703	139,111	87,409
Delinquent Real Estate	170,503	195,122	250,503	115,122
Partial Delinquent Personal Property	105,807	38,556	45,310	99,053
Partial Delinquent Real Estate	25,635	40,903	38,910	27,628
Severance Tax	60,284	273,014	256,354	76,944
Special Assessment	20,206	24,345	27,067	17,484
Transient Deposit	-	50	-	50
Returned Checks	(1,364)	13,635	13,315	(1,044)
Concealed Gun Application	-	1,080	-	1,080
State Set-Off Program	(480)	480	-	-
Motor Vehicle Tax	776,210	3,137,509	3,098,050	815,669
Total Distributable Funds	\$ 18,183,272	24,498,578	22,365,675	20,316,175
Clearing Accounts	\$ 1,977	155,235	155,280	1,932
Unclaimed Money	\$ 4,133	-	-	4,133
Revitalization Program	\$ 650	58,118	58,043	725
Drug Forfeiture	\$ 91,981	3,259	21,381	73,859
State Funds				
State Institutional Building	\$ -	147,140	147,140	-
State General Fund	-	5,525	5,525	-
State Educational Building	-	294,279	294,279	-
Total State Funds	\$ -	446,944	446,944	-
Subdivision Funds				
Cities	\$ 155,403	5,742,202	5,693,469	204,136
Townships	457	10,233	9,719	971
School Districts	-	14,311,581	14,311,581	-
Improvement Districts	170,214	151,557	138,501	183,270
Other Special Districts	-	140,660	140,660	-
Fire Districts	-	28,477	28,477	-
Cemeteries	-	494	494	-
Total Subdivision Funds	\$ 326,074	20,385,204	20,322,901	388,377

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KS
Agency Funds
Statement of Cash Receipts and Cash Disbursements
For the Year Ended December 31, 2006

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
	\$			
Sales Tax Fund	65,833	623,304	651,278	37,859
Game Licenses Fund	510	36	546	-
Heritage Trust Fund	-	13,245	13,245	-
Advance Escrow Fund	96,959	569,931	537,889	129,001
Park Permits Fund	1,767	-	1,767	-
Register of Deeds Office	-	411,737	411,737	-
County Attorney's Office	25,949	28,360	42,600	11,709
County Attorney Restitution Account	200	67,937	67,779	358
County Attorney Trust Account	1,009	37,500	35,098	3,411
Clerk of District Court Office	111,718	2,268,838	2,177,794	202,762
Sheriff Office	133	187,672	187,672	133
Drug Enforcement Trust II Fund	82,753	63,696	139,220	7,229
Community Corrections Fund	30,381	693,340	677,501	46,220
Court Agency Fund	6,203	54,524	54,194	6,533
Court Trustee/Child Support Fund	91,120	194,930	197,611	88,439
Sheriff's Commissary Fund	2,035	26,888	25,236	3,687
Total Agency Funds	\$ 516,570	5,241,938	5,221,167	537,341

The notes to the financial statements are an integral part of this statement.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

1. Summary of Significant Accounting Policies:

The County has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Ellis County, Kansas, is a municipal corporation governed by an elected three-member commission. These financial statements present **Ellis County, Kansas**, (the primary government) and none of its component units. The County receives funding from local, state, and federal government sources and must comply with the requirements of these funding sources.

Ellis County, Kansas is the primary government as defined in GASB #14 and further amended by GASB #39. The County's Commissioners are elected by the public. They have the authority to make decisions, levy taxes, influence operations and have the primary accountability in fiscal matters.

The following is a component unit of **Ellis County, Kansas**. The County exercises significant influence or accountability based primarily on operational or financial relationships with the County (as distinct from legal relationship).

Ellis County Fair Board Association

The Fair Board was created by the County Commissioners to administer the Ellis County Free Fair. The Fair Board members are appointed by the County Commissioners. The County substantially funds the operations by levying tax dollars for the free fair. The fair board does not issue audited financial statements and has not been included in **Ellis County's** financial statements. Contact the County Clerk's office for information on how to obtain financial information.

B. Basis of Presentation – Fund Accounting

The accounts of the government are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the County for the year ended December 31, 2006:

Governmental Funds

General Fund – reports as the primary fund of the County. This fund is used to account for all financial resources not reported in other funds.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expend for specified purposes.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

B. Basis of Presentation – Fund Accounting (cont.)

Proprietary Fund

Enterprise Funds – to account for operations that are financed and operated in a manner similar to private business enterprises – where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic determination of revenues earned, expenses incurred, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Agency Funds – Account for fiduciary assets held by the County in a custodial capacity as an agent on behalf of others.

Private Purpose Trust Funds – to account for assets held by governmental units as trustee or agent for other. The principal and income of these funds may be expended in the course of the fund's designated operations.

C. Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be changed in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the County to use the statutory basis of accounting.

D. Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

E. Accounting for Capital Assets and Depreciation

The County has not maintained a record of capital assets used in performance of general government operations and the proprietary fund as required by generally accepted accounting principles.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

F. Accounting for Long-Term Liabilities

The accounting and reporting treatment applied to the long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds and fiduciary funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Long-term liabilities expected to be financed from governmental funds are not accounted for in the governmental funds.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

G. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

G. Budget Information (cont.)

A legal operating budget is not required for capital projects funds, fiduciary funds, and the following special revenue funds:

Special Road Machinery Fund, Special Highway Improvement Fund, Fair Operating Fund, Fair Rent Fund, Risk Management Reserve Fund, Capital Improvement Reserve Fund, Capital Equipment Reserve Fund, 911 Tax Fund, Cellular 911 Tax Fund, Cellular 911 Grant Fund, Register of Deeds Technology Fund, Drug Enforcement Unit Trust Fund, Munjor Grant Fund, and Special Fire Machinery Fund.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

H. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds.

I. Deposits and Investments

The County follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund type in the summary of cash receipts, cash disbursements and unencumbered cash.

As of December 31, 2006, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities	Rating
		(in years) Less than one	
Kansas Municipal Investment Pool	\$ 1,361,937	N/A	S & P AAAf/SI
Kansas Municipal Investment Pool	4,250,000	4,250,000	S & P AAAf/SI
Total Fair Value	\$ 5,611,937		

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the County is located or in an adjoining County if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has an investment policy which outlines the investments the County may participate in. The rating of the County's investments is noted above.

Concentration of credit risk. State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

The County's allocation of investments as of December 31, 2006, is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

I. Deposits and Investments (cont.)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the City deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County did not use "peak periods" during 2006. All deposits were legally secured at December 31, 2006.

At December 31, 2006, the County's carrying amount of deposits was \$23,575,192 and the bank balance was \$24,337,918. The bank balance was held by eight banks resulting in a concentration of credit risk. Of the bank balance, \$675,427 was covered by federal depository insurance and \$23,662,491 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

In addition, the County had cash and cash items on hand of \$184,095.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At December 31, 2006, the County had invested \$5,608,759 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. Government or any agency thereof, with maturities up to four years. No more than ten percent (10%) of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

J. Property Tax Calendar

Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major property tax payments are received January through July and are recognized as revenue in the year received.

K. Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures during the year of purchase as required by state statutes.

L. Compensated Absences

Sick Leave Policy - Sick leave with pay is granted at the rate of one (1) working day of leave for each full month of employment for all full time employees. Any such leave accrued but unused in any year is cumulative for succeeding years up to a maximum of 180 working days.

The County shall pay for all unused sick leave in an amount not to exceed that accumulated as of December 31, 1991, and payable at each employees' rate of pay as of December 31, 2006, as follows:

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

L. Compensated Absences (cont.)

1. Retirement or Death - 100% of unused sick leave.
2. Honorable Termination - 50% of unused sick leave not to exceed 90 days.
3. Termination for Cause - No benefits.

Effective January 1, 2002, sick leave days in excess of those days accumulated as of December 31, 1991 will be paid upon retirement, resignation, or death. The pay rate is a maximum of \$40 per day and is based upon years of service.

Vacation Policy - Vacation with pay is granted to full time employees. A minimum of five (5) days and a maximum of twenty (20) days paid vacation is granted based on continuous years of employment. Employees can carry up to ten (10) days over to use in the next year. The maximum total vacation days an employee can accumulate is thirty (30) days. All earned vacation credit is paid upon separation from employment and is computed on the basis of current salary.

Compensatory Time - Payment for accrued compensatory time upon termination of employment shall be calculated at the average regular rate of pay for the final three years of employment, or the final regular rate received by the employee, whichever is the higher.

As of December 31, 2006, the liability for accrued vacation leave is \$361,308, accrued compensatory time is \$5,538, and accrued sick leave is \$212,050. The amount applicable to the Enterprise Fund of \$26,422 has been recorded in that fund and the amount applicable to the other funds of \$552,474 has been shown in Note 10 - Long Term Debt.

M. Defined Benefit Pension Plan

Plan Description - Ellis County, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the contribution rates for KPERS employers. The employer rate established by statute for January through June of 2006 was 4.61% and from July to December of 2006 was 4.81%. The Ellis County, Kansas employer contributions to KPERS for the years ending December 31, 2006, 2005, and 2004 were \$272,193, \$227,074, and \$173,797, respectively, equal to the statutory required contributions for each year.

N. Shared Leave Program

Ellis County, Kansas has adopted a shared leave program which allows the transfer of the accumulated benefit time hours to any classified/non-exempt employee if the employee or family member experiences a personal hardship that has caused or is likely to cause the employee to take leave without pay or terminate his/her employment.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

N. Shared Leave Program (cont.)

Shared leave may be used only for the duration of the serious, extreme, or life threatening illness, injury, impairment, or physical or mental condition for which it was collected. The maximum number of hours of Shared Leave that may be used by an employee shall be the total hours that the employee would regularly be scheduled to work during a six (6) month period.

Shared Leave shall be paid according to the receiving employee's rate of pay by the receiving employee's department of employment.

O. Deferred Compensation Plan

The County sponsors a deferred compensation plan under the Internal Revenue Code Section 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The County is not responsible to make any contributions.

P. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the County is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the County makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the County for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

Q. Reimbursements

The County records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund.

2. Closure and Postclosure Care Cost

The County operates a municipal solid waste transfer station, construction and demolition landfill, yard waste composting facility, and a household hazardous waste facility. State and federal laws and regulations require that **Ellis County, Kansas** place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The County has restricted cash of \$129,983 at December 31, 2006 to utilize for closure and post closure care costs. The County transferred \$12,980 to the Closure and Post-Closure Fund in 2006. The estimated cost to close and clean the Transfer Station and Household Hazardous Waste Facility is \$14,700. It is estimated that an additional \$72,330 will be recognized as closure and postclosure care expenses between the date of the financial statement and the date the landfill is expected to be filled to capacity. The estimated total current cost of the landfill closure and postclosure care cost of \$131,159 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2006. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

2. Closure and Postclosure Care Cost (cont.)

The County has a municipal solid waste landfill that was closed April 8, 1994. State and federal laws and regulations require **Ellis County, Kansas** to perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. The County recognized monitoring costs of \$4,186 for 2006. The future postclosure care cost is undeterminable at this time.

3. Transfers and Payments

Transfers and payments within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis as authorized by Kansas Statutes. The County's operating transfers and statutory authority for December 31, 2006 were as follows:

From	To	Authority	Amount
Appraisal	Capital Equipment Reserve	K.S.A. 19-119	\$ 25,000
County Building	Capital Improvement Reserve	K.S.A. 19-120	12,000
Road and Bridge	Special Highway Improvement	K.S.A. 68-590	150,000
Road and Bridge	Special Road Machinery	K.S.A. 68-141g	100,000
Solid Waste	Solid Waste Post-Closure	K.S.A. 65-204	12,980
Rural Fire District No. 1	Special Fire Machinery	K.S.A. 19-3612c	25,000
General Fund:			
County Clerk	Capital Equipment Reserve	K.S.A. 19-119	1,500
County Treasurer	Capital Equipment Reserve	K.S.A. 19-119	4,250
Computer Information Services	Capital Equipment Reserve	K.S.A. 19-119	25,000
Courthouse General	Capital Equipment Reserve	K.S.A. 19-119	5,000
Election	Capital Equipment Reserve	K.S.A. 19-119	46,000
Sheriff	Capital Equipment Reserve	K.S.A. 19-119	30,000
Courthouse General	Capital Improvement Reserve	K.S.A. 19-120	25,000
Health Insurance	Risk Management Reserve	K.S.A. 12-2615	50,000
Total			<u>\$ 511,730</u>

4. Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Risk Management – Claims & Judgments

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. **Ellis County, Kansas** participates in the Kansas County Association Multi-Line Pool (KCAMP) to provide risk of loss, general liability, property, errors and omissions, auto liability, and employee benefit liability insurance. The County joined KCAMP in January 2001. The County, along with other participating counties, contributes annual amounts determined by KCAMP management. As claims arise they are submitted to and paid by KCAMP. During 2006, the County contributed \$125,803 to the fund for this insurance coverage. **Ellis County, Kansas** also participates in the Kansas Workers Risk Cooperative for Counties (KWORC) to provide workers compensation insurance. The County joined KWORC in January 2001. The County, along with other participating counties, contributes annual amounts determined by KWORC management. As claims arise they are submitted to and paid by KWORC. During 2006, the County contributed \$219,904 to the fund for this insurance coverage. There were no significant reductions in insurance coverage from the prior year. The amount of settlements have not exceeded insurance coverage for each of the past three fiscal years.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

5. Risk Management – Claims & Judgments (cont.)

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At December 31, 2006, the financial statements do not include liabilities for anticipated costs.

6. Litigation

The County is party to various legal proceedings, such as foreclosure actions and tax appeals, which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the County.

7. Grants and Shared Revenues

The County participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the County has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the County, any liability for reimbursement, which may arise as the result of the audits, is not believed to be material.

8. Comparative Data

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the County's cash and unencumbered cash balances. However, complete comparative data (i.e., presentation of prior year totals in Statement 1) has not been presented since its inclusion would make the statement unduly complex and difficult to read.

9. Compliance with Kansas Statutes

Expenditures exceeded available monies in the following funds which is in violation of K.S.A. 10-1113.

Fair Operating Fund	\$ (2,235)
---------------------	------------

The County Attorney's office has checks outstanding for more than two years which is in violation of K.S.A. 10-815.

10. Long-Term Debt

The County has the following long-term debt:

Temporary Notes

Ellis County, Kansas, has issued temporary notes pursuant to Kansas statutes for the financing of certain items of property and equipment.

Revolving Loan

Ellis County, Kansas has entered into a revolving loan agreement with the Kansas Department of Health and Environment on behalf of the Munjor Waste Water Improvement District. The Munjor Waste Water Improvement District has dedicated a revenue source to the County for the retirement of this debt.

ELLIS COUNTY, KANSAS
Notes to Financial Statements
December 31, 2006

10. Long-Term Debt (cont.)

Ellis County, Kansas has entered into a revolving loan agreement with the Kansas Department of Transportation.

Capital Leases

Ellis County, Kansas has a lease agreement to purchase land.

Changes in long-term liabilities for the County at December 31, 2006 and current maturities of long-term debt and interest for the next five years and in five year increments through maturity are included on the next two pages.

ELLIS COUNTY, KANSAS

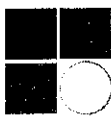
Notes to Financial Statements Statement of Changes in Long Term Debt For the Year Ended December 31, 2006

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Temporary Notes:										
Emergency Telephone Equipment	Various	09/01/04	\$ 198,897	09/01/07	\$ 129,824	-	(68,755)	(68,755)	61,069	6,245
Fairgrounds Air Conditioning	3.50%	07/06/04	32,461	08/01/07	21,347	-	(11,114)	(11,114)	10,233	650
Reclaimers Equipment	3.50%	07/06/04	187,539	08/01/07	123,353	-	(64,186)	(64,186)	59,167	3,755
Total Temporary Notes			418,897		274,524	-	(144,055)	(144,055)	130,469	10,650
Revolving Loans:										
Kansas Department of Health and Environment	2.58%	03/01/05	59,056	09/01/26	34,844	24,212	(1,108)	23,104	57,948	1,168
Kansas Department of Transportation	3.90%	09/05/06	257,502	08/01/16	-	34,500	-	34,500	34,500	-
Total Revolving Loans			316,558		34,844	58,712	(1,108)	57,604	92,448	1,168
Capital Leases:										
Union Pacific Railroad Easement	0.00%	09/20/04	145,390	01/15/06	116,312	-	(116,312)	(116,312)	-	-
Amount to be Provided for Compensated Absences										
			544,801			-	-	7,673	552,474	-
Total County Long Term Debt			\$ 880,845		\$ 970,481	58,712	(261,475)	(195,090)	775,391	11,818
Rural Fire District										
2001 Fire Truck Temporary Note	0.00%	12/16/02	\$ 160,000	10/16/06	\$ 40,000	-	(40,000)	(40,000)	-	-
2003 Pumper Capital Lease	4.02%	01/31/03	216,189	02/19/10	160,374	-	(29,600)	(29,600)	130,774	6,440
Total Rural Fire Long Term Debt			\$ 376,189		\$ 200,374	-	(69,600)	(69,600)	130,774	6,440

ELLIS COUNTY, KANSAS
Notes to Financial Statements
Statement of Maturity of Long Term Debt
For the Year Ended December 31, 2006

Issue	2007	2008	2009	2010	2011	2012-2016	2017-2021	2022-2026	Total
Principal:									
Temporary Notes									
Emergency Telephone Equipment	\$ 61,069	-	-	-	-	-	-	-	61,069
Fairgrounds Air Conditioning	10,233	-	-	-	-	-	-	-	10,233
Reclaimers Equipment	59,167	-	-	-	-	-	-	-	59,167
Total Temporary Notes	130,469	-	-	-	-	-	-	-	130,469
Revolving Loans:									
Kansas Dept. of Health and Environment	2,263	2,328	2,394	2,462	2,532	13,787	15,866	16,316	57,948
Kansas Department of Transportation	34,500	-	-	-	-	-	-	-	34,500
Total Revolving Loans	36,763	2,328	2,394	2,462	2,532	13,787	15,866	16,316	92,448
Total County Principal	167,232	2,328	2,394	2,462	2,532	13,787	15,866	16,316	222,917
Interest:									
Temporary Notes	4,824	-	-	-	-	-	-	-	4,824
Revolving Loans	1,481	1,422	1,361	1,299	1,235	5,150	3,254	1,072	16,274
Total County Interest	6,305	1,422	1,361	1,299	1,235	5,150	3,254	1,072	21,098
Total County Principal and Interest	\$ 173,537	3,750	3,755	3,761	3,767	18,937	19,120	17,388	244,015
Rural Fire District Principal:									
2003 Pumper Capital Lease	\$ 30,789	32,025	33,311	34,649	-	-	-	-	130,774
Rural Fire District Interest:									
2003 Pumper Capital Lease	5,252	4,015	2,729	1,391	-	-	-	-	13,387
Total Rural Fire District Principal and Interest	\$ 36,041	36,040	36,040	36,040	-	-	-	-	144,161

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Michelle Schneider

James F. Adams

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of County Commissions
Ellis County, Kansas
1204 Fort
Hays, KS 67601

We have audited the financial statements of **Ellis County, Kansas**, as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 4, 2007. The report on the audited financial statements was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America and did not include the component unit. Except as discussed in the preceding sentence, we conducted our audit in accordance with the Kansas Municipal Audit Guide, auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **Ellis County, Kansas'** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Ellis County, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Ellis County, Kansas'** internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects **Ellis County, Kansas'** ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of **Ellis County, Kansas'** financial statements that is more than inconsequential will not be prevented or detected by **Ellis County, Kansas'** internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by **Ellis County, Kansas'** internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as described above.

Compliance And Other Matters

As part of obtaining reasonable assurance about whether **Ellis County, Kansas'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However,

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providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items B1 and B2.

We noted certain immaterial instances of noncompliance that we have reported to management of **Ellis County, Kansas**, in a separate letter dated September 4, 2007.

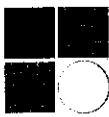
This report is intended solely for the information and use of the Commission, Management, others within the Organization, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, Federal Awarding Agencies and Pass Through Entities, and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 4, 2007

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of County Commissions
Ellis County, Kansas
1204 Fort
Hays, KS 67601

Compliance

We have audited the compliance of **Ellis County, Kansas**, with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2006. **Ellis County, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of **Ellis County, Kansas'** management. Our responsibility is to express an opinion on **Ellis County, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the Kansas Municipal Audit Guide; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Ellis County, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on **Ellis County, Kansas'** compliance with those requirements.

In our opinion, **Ellis County, Kansas**, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

Internal Control Over Compliance

The management of **Ellis County, Kansas**, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Ellis County, Kansas'** internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Ellis County, Kansas'** control over compliance.

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Internal Control Over Compliance (Cont.)

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Commission, Management, others within the Organization, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, Federal Awarding Agencies and Pass Through Entities, and is not intended to be and should not be used by anyone other than these specified parties.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

September 4, 2007

ELLIS COUNTY, KANSAS
Hays, Kansas

Supplemental Information

For the Year Ended December 31, 2006

ELLIS COUNTY, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2006

A. Summary of Auditors' Results -

1. The auditors' report expresses a qualified opinion on the financial statements of **Ellis County, Kansas**.
2. No control deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements performed in accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of **Ellis County, Kansas**, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No control deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and on Internal Control over Compliance in accordance with OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for **Ellis County, Kansas**, expresses an unqualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this schedule.
7. The programs tested as a major program were:
 - 97.044 Assistance to Firefighter Grant
 - 97.073 State Homeland Security Program
 - 97.074 Law Enforcement Terrorism Program
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Ellis County, Kansas**, does not qualify as a low risk auditee.

B. Compliance - Financial Statement Audit -

1. **Ellis County, Kansas** violated K.S.A. 10-1113. The Fair Operating Fund's expenditures exceeded available monies by \$2,235. We recommend the County review expenditures closer at year end.
2. The Ellis County Attorney's office had checks outstanding for more than two years which violates K.S.A. 10-815. We recommend reviewing the outstanding checks on a semi-annual basis.

C. Findings and Questioned Costs - Major Federal Award Programs Audit -

None

ELLIS COUNTY, KANSAS
Summary Schedule of Prior Year Audit Findings
For the Year Ended December 31, 2006

No Prior Year Audit Findings for the year ended December 31, 2005.

ELLIS COUNTY, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Agency or Pass Through Number	Expenditures
<u>U.S. Department of Health and Environment</u>			
Passed through Kansas Department of Health & Environment			
Centers for Disease Control & Prevention			
Investigation & Technical Assistance	93.283	264	\$ 35,439
Immunization Grants	93.268	264	1,605
Acquired Immune Deficiency Syndrome Activity	93.118	264	563
Capitalization Grants for Clean Water			
State Revolving Funds	66.458	264	24,212
<u>U.S. Department of Homeland Security</u>			
Passed through Kansas Highway Patrol			
State Homeland Security Program	97.073	-	188,587
Law Enforcement Terrorism Prevention Program	97.074	-	72,494
Passed through the Kansas Adjutant General			
Emergency Management Performance Grants	97.042	034	10,920
Assistance to Firefighters Grant	97.044	-	126,920
Citizen Corps	97.053	034	5,820
<u>U.S. Department of Transportation</u>			
Passed through the Kansas Adjutant General			
Interagency Hazardous Materials Public Sector Training & Planning Grants	20.703	034	37,602
<u>U.S. Department of Housing and Urban Development</u>			
Passed Through Kansas Department of Commerce			
Community Development Block Grant	14.228	300	22,381
<u>U.S. Department of Justice</u>			
Passed Through Kansas Governor's Office			
Edward Bryne Memorial Justice Assistance Grant Program	16.738	252	84,122
Passed Through Asset Forfeiture and Money Laundering			
Asset Forfeiture and Money Laundering	16.000	-	21,381
<u>U.S. Department of Agriculture</u>			
Passed Through Kansas State University			
Cooperative Forestry Assistance	10.664	367	1,303
Total Federal Awards			<u>\$ 633,349</u>

ELLIS COUNTY, KANSAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2006

Note 1 - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Ellis County, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Note 2 - Homeland Security Grant Program:

Ellis County, Kansas received equipment valued at \$261,082 in 2006 through a Homeland Security Grant Program.